

### 53.1 General Discussion

After substantial completion of the work, the agency shall diligently pursue contract completion. In cases where the contractor is not diligently pursuing completion, the agency shall impose liquidating damages penalties, completion of remaining work with local forces or unilateral closure and claims against the contractor.

After the construction phase of a non-NHS FHWA transportation project, done either by competitive bidding or by local agency forces, specific procedures are carried out to terminate the project's finances and review project performance. These procedures are necessary in order to settle any outstanding contract obligations, and to ensure that funds were expended properly.

Chapter 53 lists requirements for closing the project accounts at WSDOT and FHWA and discusses project management reviews and project audits.

Consistent with criteria established for FHWA oversight, the following chart establishes responsibilities for preparation of project closing documents and actions for FHWA (F), WSDOT (S), and Local CA agencies (L):

	Local CA Agency non-NHS	Local non-CA Agency non-NHS
<b>Documents</b>		
a. Completion Letter	L	S/L
b. Material Certification	L	S/L
c. List of Change Orders	L	S/L
d. WSDOT Final Accep. Date	L	S/L
e. Comparison of Quantities	L	S/L
f. DOT 140-500	S	S
<b>Actions</b>		
a. Nonpart. Approval	S	S
b. Advance FMIS Steps	F	F
c. Final Voucher	S/F	S/F

(FMIS = Federal Management Information Systems)

### 53.2 Closure

After the construction contract is complete, a 90-day project closure period begins. During this period, the local agency must complete the requirements described below. No further payment will be made after the 90-day closure period without the approval of the Assistant Secretary for TransAid. The local agency may request, however, that the 90-day closure period be extended. In this case, the local agency shall submit a written request to the Assistant Secretary for TransAid justifying an extended closure period.

**.21 Completion Letter.** Within 15 calendar days of physical completion, the local agency shall submit a completion letter to the Regional TransAid Engineer.

**.22 WSDOT Project Review.** The Regional TransAid Engineer will conduct the final field inspection. It is suggested that the Regional TransAid Engineer be invited to the final project inspection with the contractor. If the final inspection reveals items that must be corrected or resolved before the project can be closed, these will be noted in the final inspection report. The Regional TransAid Engineer will work with the local agency to make the necessary corrections or to accomplish resolutions. If there is an unresolvable item indicating that a portion of project work is ineligible for FHWA reimbursement, WSDOT will issue a letter of notification outlining the ineligible work items and related costs.

**.23 Final Billing.** Within 90 calendar days of the completion date, the local agency shall submit the following documents to the Regional TransAid Engineer, clearly marked "Final Billing:"

- The local agency's final billing on Form PPC2.
- Written justification for billings exceeding the Local Agency Agreement amount. These require approval by the Assistant Secretary for TransAid.

Upon receipt of the final billing, WSDOT will pay the federal share or bill the local agency as appropriate.

**.24 Project Approval.** The Assistant Secretary for TransAid will inform the local agency when FHWA has approved the Final Voucher and will explain what records must be retained and for how long.

### 53.3 Project Management Review

In order to be reasonably certain that local agencies are administering FHWA funds in accordance with the *Local Agency Guidelines*, the TransAid Operations Engineer will conduct project management reviews annually on selected local agency ad-and-award projects. These reviews will cover:

- General procedural compliance items noted in OMB Circular A-128.
- Procedures in the *Local Agency Guidelines*.
- Items of special interest developed from State Auditor's reports, recommendations from FHWA, and previous process reviews.
- Compliance with "Equal Employment Opportunity" and "Disadvantaged Business Enterprise" programs.

**.31 Preparation.** The Assistant Secretary for TransAid, through the Regional TransAid Engineer, will schedule management reviews with the designated agencies and will request that the local agency managers participate. The local agency should have all pertinent documentation ready for the scheduled review. Typical procedural review questions are listed in [Appendix 53.51](#). Typical documents to be examined during this review are also listed in [Appendix 53.51](#). All deficiencies will be identified for the agency at the [Project Management Review \(PMR\)](#). Copies of documentation not available at the time of review shall be submitted through the Regional TransAid Engineer within 21 days. After the 21-day period, the final PMR letter will be sent to the agency.

**.32 Deficiencies.** If no major deficiencies are found in the local agency's project management methods, the local agency will be informed in writing of the review team's findings and recommendations.

If major deficiencies exist, the local agency will be asked to take corrective action within 60 days. If the deficiencies include ineligible work, WSDOT will issue a citation letter.

If deficiencies exist in the agency's procedures, management practices, or systems, or if specific project errors are found, WSDOT's administrative response might be one or more of the following:

- No action against the agency.
  - Joint conference with the Local Agency, Regional TransAid Engineer, and the Assistant Secretary of TransAid or his designee.
  - Limit or withhold the agency's future Certification Acceptance authority ([Chapter 13](#)) to the extent deemed necessary:
- a. Allow Certification on a project-by-project basis.
  - b. Direct WSDOT to assign a Project Engineer to each project for supervision, inspection, and administration.
  - c. Contract the supervision, inspection, and administration to a consulting firm.
  - d. Delay project authorization until adequate supervision, inspection, and administration is available from the local agency, WSDOT, or consultants.
- Establish a repayment plan when violations to procedures make certain expenditures ineligible for federal reimbursement. Per Section VII of the Local Agency agreement, withholding of funds from the local agency's gasoline tax distribution may be necessary if a satisfactory repayment plan is not established within 45 days.

## 53.4 Financial and Compliance Audit

**.41 By the State Auditor.** The local agency is responsible for ensuring that an audit is performed in accordance with OMB Circular A-128. WSDOT is also responsible for ensuring that FHWA funds are properly expended. The State Auditor will therefore audit each local agency.

**.42 By WSDOT.** A project audit by WSDOT Auditors is triggered by deficiencies found during:

- a. A routine audit by the State Auditor, either on an FHWA project or on any other project where federal funds are involved.
- b. A project management review.

**.43 Project Records.** Project records shall be maintained in accordance with the terms of the [Local Agency Agreement](#) and shall be made available to the audit personnel upon request. It is helpful if field notes and other documentation are available in sufficient detail to facilitate the audit review.

**.44 Audit Report.** The state auditor will submit a formal audit report to the Assistant Secretary for TransAid and to FHWA. If findings on a particular audit arise, TransAid will contact the agency to confirm the findings and coordinate resolution with the agency and TransAid. Audit findings must be resolved within six months of the date that the audit report is issued. Audits will normally include the following categories:

- Interagency Agreements
- Land Development or Land Acquisition Projects
- Tier Contracting Procedures
- Fund Management — Transactions
- Accounting Methods — Cash or Accrual
- DBE-EEO Practices
- Use of Grant Acquired Equipment

## 53.5 Appendixes

[53.51 Local Agency Documentation Review Checklist](#)

[53.52 Enhancement Project Checklist](#)

## Forms

[WSDOT Form 140-500](#) Final Inspection of Federal Aid Project

10:LAG5

## Appendix 53.51

## Local Agency Documentation Review Checklist

Agency: \_\_\_\_\_ Date: \_\_\_\_\_  
Project Title: \_\_\_\_\_  
Federal Aid Project No.: \_\_\_\_\_ Contract No.: \_\_\_\_\_  
Reviewers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Table of Organization and CA Agreement Review:

<u>Action</u>	<u>Approving Authority</u>
Design Approval	_____
PS&E Approval	_____
Tied Bids	_____
Contract Award	_____
Change Orders	_____

### Preliminary Engineering:

Design Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
PS&E Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency Supplied Materials Approved By: \_\_\_\_\_  
Sole Source Items? Yes \_\_\_\_\_ No \_\_\_\_\_  
If Yes, FHWA Approval Date: \_\_\_\_\_  
Changes in Scope, Limits, Character, Cost? Yes \_\_\_\_\_ No \_\_\_\_\_  
If Yes, FHWA Approval Date: \_\_\_\_\_  
Tied Bids Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

### Advertising and Award:

FHWA Construction Authorization Date: \_\_\_\_\_  
Advertising Dates: \_\_\_\_\_  
Three Week Advertising Period? Yes \_\_\_\_\_ No \_\_\_\_\_  
Affidavits of Publication in File? Yes \_\_\_\_\_ No \_\_\_\_\_  
Bid Opening Date: \_\_\_\_\_  
Award Date: \_\_\_\_\_  
Award to Lowest Bidder? Yes \_\_\_\_\_ No \_\_\_\_\_  
If Not, Explain: \_\_\_\_\_  
Contract Execution Date: \_\_\_\_\_  
Contract Award Amount: \$ \_\_\_\_\_  
Award Information Transmitted to WSDOT? Yes \_\_\_\_\_ No \_\_\_\_\_  
First Working Day: \_\_\_\_\_ No. of Working Days: \_\_\_\_\_  
No. of Working Days Complete: \_\_\_\_\_  
Preconstruction Conference Minutes Review:  
Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Minutes Sent To: Regional TransAid Engineer? Yes \_\_\_\_\_ No \_\_\_\_\_  
Contractor? Yes \_\_\_\_\_ No \_\_\_\_\_  
All Invitees? Yes \_\_\_\_\_ No \_\_\_\_\_

**Commitment File (DOT Form 220-021 or equal):**

Environmental and Permit Conditions Met Yes \_\_\_\_\_ No \_\_\_\_\_  
 Right-of-Way Commitments to Landowner Met Yes \_\_\_\_\_ No \_\_\_\_\_  
 Maintenance Obligations Identified Yes \_\_\_\_\_ No \_\_\_\_\_

**Construction Contract Administration:**

**Approval of Subcontractors:**

<u>Subcontractor</u>	<u>Amount (\$)</u>	<u>Approval Date</u>	<u>DBE/WBE?</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Specialty Items Subbed: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

Percent of Contract Subbed: \_\_\_\_\_ %  
 Allowable = (Contract Amount - Specialty Items) 0.70 = \_\_\_\_\_

**Change Orders:**

<u>No.</u>	<u>Verbal Approval Date</u>	<u>Written Approval Date</u>	<u>Comments</u>	<u>Documented</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Claims by Contractor? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Comments: \_\_\_\_\_  
 \_\_\_\_\_

Project Diaries and Inspector's Daily Reports Signed and Up to Date? Yes \_\_\_\_\_ No \_\_\_\_\_

**Payrolls:**

Wage Rates Included in Contract? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Payrolls on File? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Certified by Contractor? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Checked and Initialed by Agency? Yes \_\_\_\_\_ No \_\_\_\_\_

<u>Prime/Subs</u>	<u>Wage Rate Interview</u>	<u>Intent to Pay Wages</u>	<u>Affidavit Wages Paid</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Any L&I Violations on Contract? Yes \_\_\_\_\_ No \_\_\_\_\_

If Yes, How Resolved? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

***EEO Compliance:***

Right-of-Way Yes \_\_\_\_\_ No \_\_\_\_\_  
 Consultant Yes \_\_\_\_\_ No \_\_\_\_\_  
 Hearings Yes \_\_\_\_\_ No \_\_\_\_\_  
 Monthly Utilization Reports (CC 257) on File  
 for Prime and Subs (Greater Than \$10,000) Yes \_\_\_\_\_ No \_\_\_\_\_  
 PR-1391 on File and Sent to Regional TransAid? Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

***Training:***

Training Goal Set? Yes \_\_\_\_\_ No \_\_\_\_\_ Hours \_\_\_\_\_  
 Training Plan Approved by Agency: Yes \_\_\_\_\_ No \_\_\_\_\_  
 Training Goal Met? Yes \_\_\_\_\_ No \_\_\_\_\_ Hours \_\_\_\_\_

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

***DBE Compliance:***

DBE Goal Set: \$ \_\_\_\_\_  
 DBE Condition of Award Amount: \$ \_\_\_\_\_  
 How Was DBE Certification Verified Prior to Award? \_\_\_\_\_  
 \_\_\_\_\_

DBE On-Site Review Conducted for Each Sub? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Change Orders Affects on DBEs: Yes \_\_\_\_\_ No \_\_\_\_\_  
 Additional Work Provided to DBEs? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Any Changes to DBE Goals? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Approved by TransAid Engineer? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Affidavit of Amounts Paid to DBEs Sent to  
 Regional TransAid Engineer? Yes \_\_\_\_\_ No \_\_\_\_\_

***Bridge Construction Projects:***

Bridge Rail Crash Tested Design Used? Yes \_\_\_\_\_ No \_\_\_\_\_  
 (New Construction Only, Any Funding Program)

***Contract Completion:***

Completion Date: \_\_\_\_\_  
 Completion Letter to Contractor Date: \_\_\_\_\_  
 End of Project Materials Certification From Project Engineer to Approving Authority Date: \_\_\_\_\_

Agency: \_\_\_\_\_ Date: \_\_\_\_\_  
 Project Title: \_\_\_\_\_  
 Federal Aid Project No.: \_\_\_\_\_ Contract No.: \_\_\_\_\_  
 Reviewers: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

### Project Administration Responsibility:

#### Preliminary Engineering:

Consultant Selection: \_\_\_\_\_ Date: \_\_\_\_\_  
 Standard Agreement Used? Yes \_\_\_\_\_ No \_\_\_\_\_  
 If Not, TransAid Approval Date: \_\_\_\_\_  
 Design Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 PS&E Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency Supplied Materials Approved By: \_\_\_\_\_  
 Sole Source Items? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Changes in Scope, Limits, Character, Cost? Yes \_\_\_\_\_ No \_\_\_\_\_  
 If Yes, TransAid Approval Date: \_\_\_\_\_  
 Tied Bids Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Minimum Contents of Bid Package Included? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Standard Specifications used? Yes \_\_\_\_\_ No \_\_\_\_\_  
 If Not, Explain: \_\_\_\_\_

#### Advertising and Award:

FHWA Construction Authorization Date: \_\_\_\_\_  
 Advertising Dates: \_\_\_\_\_  
 Three Week Advertising Period? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Affidavits of Publication in File? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Bid Opening Date: \_\_\_\_\_  
 Award Date: \_\_\_\_\_  
 Award to Lowest Bidder? Yes \_\_\_\_\_ No \_\_\_\_\_  
 If Not, Explain: \_\_\_\_\_  
 Contract Execution Date: \_\_\_\_\_  
 Contract Award Amount: \$ \_\_\_\_\_  
 Award Information Transmitted to WSDOT? Yes \_\_\_\_\_ No \_\_\_\_\_  
 First Working Day: \_\_\_\_\_ No. of Working Days: \_\_\_\_\_  
 No. of Working Days Complete: \_\_\_\_\_  
 Environmental and Permits Conditions Met? Yes \_\_\_\_\_ No \_\_\_\_\_  
 Right of Way Certified/Commitments to Landowner Met? Yes \_\_\_\_\_ No \_\_\_\_\_

#### Construction Contract Administration:

##### Approval of Subcontractors:

Subcontractor	Amount (\$)	Approval Date	DBE/WBE?
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Percent of Contract Subbed: \_\_\_\_\_ %  
 Allowable = (Contract Amount — Specialty Items) 0.70 = \_\_\_\_\_

**Change Orders:**

<u>No.</u>	<u>Verbal Approval Date</u>	<u>Written Approval Date</u>	<u>Comments</u>	<u>Documented</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Claims by Contractor? Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_  
 \_\_\_\_\_

Project Diaries and Inspector's Daily Reports Signed and Up to Date? Yes \_\_\_\_\_ No \_\_\_\_\_

**Payrolls:**

Wage Rates Included in Contract? Yes \_\_\_\_\_ No \_\_\_\_\_

<u>Prime/Subs</u>	<u>Wage Rate Interview</u>	<u>Intent to Pay Wages</u>	<u>Affidavit Wages Paid</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Building Permit Required for Project? Yes \_\_\_\_\_ No \_\_\_\_\_

If Yes, Building Permit Issue Date: \_\_\_\_\_

Any L&I Violations on Contract? Yes \_\_\_\_\_ No \_\_\_\_\_

If Yes, How Resolved? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**EEO Compliance:**

Monthly Utilization Reports (CC 257) on File  
 for Prime and Subs (Greater Than \$10,000)

Yes \_\_\_\_\_ No \_\_\_\_\_

PR-1391 on File and Sent to TransAid?

Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_  
 \_\_\_\_\_

**Training:**

Training Goal Set? Yes \_\_\_\_\_ No \_\_\_\_\_ Hours \_\_\_\_\_

Training Plan Approved by Agency: Yes \_\_\_\_\_ No \_\_\_\_\_

Training Goal Met? Yes \_\_\_\_\_ No \_\_\_\_\_ Hours \_\_\_\_\_

Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

***DBE Compliance:***

DBE Goal Set: \$ \_\_\_\_\_

DBE Condition of Award Amount: \$ \_\_\_\_\_

How Was DBE Certification Verified Prior to Award? \_\_\_\_\_

DBE On-Site Review Conducted for Each Sub? Yes \_\_\_\_\_ No \_\_\_\_\_

Change Orders — Affects on DBEs: Yes \_\_\_\_\_ No \_\_\_\_\_

Additional Work Provided to DBEs? Yes \_\_\_\_\_ No \_\_\_\_\_

Any Changes to DBE Goals? Yes \_\_\_\_\_ No \_\_\_\_\_

Approved by TransAid Engineer? Yes \_\_\_\_\_ No \_\_\_\_\_

Affidavit of Amounts Paid to DBEs Sent to

TransAid Engineer? Yes \_\_\_\_\_ No \_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

***Contract Completion:***

Completion Date: \_\_\_\_\_

Completion Letter to Contractor Date: \_\_\_\_\_

Non-CA or Building Department Certification of Completed Work

in Accordance With Project Plans and Specifications Date: \_\_\_\_\_

13:P:LAG5





# Final Inspection of Federal Aid Project

*Constructed Under 23 U.S.C. 117*

PROJECT TITLE					
FEDERAL AID NO.			CONTRACT NO.		AGENCY
DESCRIPTION OF WORK					
CONTRACTOR'S NAME			CONTRACT AWARD AMOUNT	FINAL CONTRACT COST (DO NOT INCLUDE CONSTRUCTION ENGINEERING)	
			\$	\$	
% SUBLET	TRAINING CONTRACT HOURS	TOTAL HOURS PAID	DBE CONTRACT GOAL	DBE CONDITION OF AWARD AMOUNT	DBE AFFADAVIT OF AMOUNT PAID
			\$	\$	\$
DATE OF INSPECTION		INSPECTION MADE BY			
IN COMPANY WITH					
REMARKS					
<div><b>Comments</b></div> <div>Marking and signing in conformance with contract plans? _____</div> <div>Roadside obstacles? _____</div> <div>Materials certified by agency? _____</div> <div>Claims? _____</div> <div>Change Orders? _____</div> <div>Completed in accordance with specified working days? _____</div> <div>Other? _____</div>					
<div><input type="checkbox"/> This project has been completed in substantial conformance with the project prospectus and contract plans.</div> <div><input type="checkbox"/> This project has the following deficiencies which must be corrected prior to final acceptance:</div>					
SIGNATURE OF TRANSAID ENGINEER					DATE